

§ 1430.206

payments from CCC were issued consecutive payments on a monthly basis on marketed milk production beginning in the first month of the fiscal year with a payment rate in effect, unless FSA was notified that a month would be designated at a later date. During fiscal years 2006 and 2007, dairy operations must designate a MILC production start month to begin receiving payments from CCC. MILC production start month selections made during the signup period designated by CCC may be made as provided in paragraph (b)(1) of this section, otherwise MILC production start month selections must be made in accordance with paragraph (c) of this section.

(2) Dairy operations with MILC production start months that begin with the month a MILC is submitted to FSA or that begin with the first month of the fiscal year with an effective payment rate will receive payments made by CCC consecutively on a monthly basis until the earlier of the following:

(i) The maximum payment quantity is reached as determined in accordance with §1430.207; or

(ii) The end of the applicable fiscal year.

(h) All producers involved in the dairy operation must agree to the month designated. The dairy operation assumes the risk of not reaching the maximum payment quantity based on the month selected by the dairy operation. Payments will not be issued for past months for the sole purpose of reaching the maximum payment quantity.

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§ 1430.206 [Reserved]

§ 1430.207 Dairy operation payment quantity.

(a) The applicant's payment quantity of milk will be determined by CCC, based on the quantity of milk that was produced and commercially marketed by each dairy operation per fiscal year.

(b) The maximum quantity of eligible production for which dairy operations are eligible for payment per any fiscal year, including any in the transition year, under this subpart shall be 2.4 million pounds (24,000 cwt.) per separate and distinct operation. In accordance

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with these regulations, the Deputy Administrator shall determine what is a separate and distinct operation and that decision shall be final.

§ 1430.208 Payment rate and dairy operation payment.

(a) Payments under this subpart may be made to dairy operations when the Boston Class I milk price under the applicable Federal milk marketing order is below \$16.94 per cwt. No payments will be made to dairy operations for marketings during the months that the Boston Class I milk price under the applicable milk marketing order is equal to or exceeds \$16.94.

(b) A per-hundredweight payment rate will be determined for the applicable month by:

(1) Subtracting from \$16.94 the Class I milk price per cwt in Boston; and

(2) Multiplying the difference by 34 percent during the period beginning on October 1, 2005, and ending on August 31, 2007; and

(3) Multiplying the difference by 0 percent during the period beginning on September 1, 2007, and ending on September 30, 2007.

(c) Each eligible dairy operation payment will be calculated, as determined by the Secretary, by:

(1) Converting whole pounds of milk to hundredweight; and

(2) Multiplying the payment rate determined in paragraph (b) of this section by the quantity of eligible production marketed by the operation during the applicable month as determined according to §1430.205 and other provisions of these regulations.

(3) Payments to dairy operations will be based on calculated payment rates rounded seven places to the right of the decimal.

(d) Payments under this subpart may be made to a dairy operation only up to the first 2.4 million pounds of eligible milk production per applicable fiscal year, including any year in the transition period.

(e) Dairy operations receiving benefits under this subpart, will receive payments on a monthly basis according to the MILC, to the extent practicable,